

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Lifeline and Link Up Reform and	)	WC Docket No. 11-42
Modernization	)	

**PETITION FOR RECONSIDERATION  
OF  
SPRINT CORPORATION**

Sprint Corporation (“Sprint”), on behalf of its Assurance Wireless affiliate, hereby respectfully requests reconsideration of a provision included in the *California Waiver Extension Order*<sup>1</sup> which holds ETCs responsible for eligibility determinations of California Lifeline applicants and for recertification of Lifeline subscribers in the event that the California PUC is unable to comply with federal eligibility rules by April 30, 2018.

In the *California Waiver Extension Order*, the FCC granted a request filed by the California PUC for additional time to implement the federal streamlined Lifeline eligibility programs. California now has until April 30, 2018 to align its eligibility criteria with the FCC’s Lifeline eligibility rules and to update its eligibility processes accordingly. The FCC stated (para. 8, footnote omitted) that:

...if California does not update its processes such that ETCs may rely on the California PUC’s eligibility process to determine whether a consumer is eligible for Lifeline under the revised federal eligibility rules by April 30, 2018, ETCs will be responsible for ensuring that subscribers enrolled or recertified after that date are eligible under the Commission’s revised eligibility criteria. As in other states, ETCs may elect to rely on the

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization, Order* released October 25, 2017 (DA 17-1047) in WC Docket No. 11-42.

Universal Service Administrative Company (USAC) to conduct the eligibility recertification process.

Sprint does not doubt that California will make a full and good faith effort to meet the new April 30, 2018 deadline, and Sprint pledges to work cooperatively with California in its efforts to meet this deadline. Sprint also understands and supports the FCC's desire to ensure compliance with federal Lifeline eligibility rules by April 30. However, it is highly unusual -- perhaps unprecedented -- for the FCC to hold a third party responsible in the event that the party at which an order is directed is unwilling or unable to comply with such order, especially when the third party has no control over the second party.

The FCC's mandated shift of the compliance burden onto ETCs should California be unable to meet the April 30 deadline is unreasonable and was imposed without any opportunity for comment. The *California Waiver Extension Order* places the burden of performing the initial eligibility determination of California Lifeline applicants, and of performing requisite recertifications of current Lifeline customers, squarely on the shoulders of the ETCs such as Assurance Wireless which do not have the processes or platforms in place to handle this obligation. Even if ETCs elect to have USAC perform the recertifications, it is not clear whether the information needed to successfully fulfill this function has been, or will be, loaded into NLAD.<sup>2</sup>

California administers its own Lifeline eligibility process, and is one of a handful of NLAD "opt out" states -- it uses its own systems and databases, rather than NLAD, to determine whether a Lifeline applicant already has Lifeline service with another service

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<sup>2</sup> It is unclear whether NLAD records will reflect the program under which a California Lifeline subscriber originally qualified. USAC would have to know if the subscriber

provider, and to perform subscriber identity verification. ETCs do not directly engage in the initial eligibility determination or the annual recertification processes; California performs those tasks and provides a “yes/no” response to the ETC regarding end user eligibility. The contingency plan adopted in the *California Waiver Extension Order* upends existing processes.

There are currently no fully defined operational processes and specifications from the FCC or the California PUC as to what might be required for ETCs to take over responsibility for Lifeline eligibility determinations in California. However, Assurance Wireless expects that such responsibility would entail numerous process and system changes in its (and all other ETCs’) operations. For example, Assurance Wireless would have to:

- Modify intake processes in California so that eligibility determinations are made by the neutral third party hired by Assurance Wireless, rather than by the California Lifeline administrator;
- Adjust the process for handling direct customer inquiries -- prospective customers who contact Assurance Wireless through its website or IVR, and who currently are sent to the California Lifeline administrator, would have to be routed instead to an Assurance Wireless application process;
- Modify interfaces so that Assurance Wireless is sending data either directly to the California Lifeline database, or to NLAD (the *California Waiver Extension Order* does not specify where eligibility and recertification information is to reside if the California Lifeline administrator is not performing these functions);
- Begin handling supporting activities such as issuance of welcome or denial letters;
- Develop processes (at a minimum, ensuring that NLAD has requisite information) to perform identity validation, to handle inter-company transfers, and to maintain Lifeline expiration dates for California subscribers;
- Because Assurance Wireless participates in both the federal and California Lifeline programs, it will have to have some mechanism for merging federal and state eligibility determinations in its customer records to ensure that the customer is receiving all of the Lifeline benefits to which he is entitled, and that Assurance Wireless is receiving the correct Lifeline support amount;

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qualified under a plan that is now ineligible under federal rules, so that it could request updated eligibility documentation as part of the recertification process.

- When California does come into compliance with federal eligibility rules (after the April 30, 2018 deadline), and assuming it remains an NLAD opt-out state, steps will have to be taken to transfer customer records for end users enrolled/recertified by Assurance Wireless and/or USAC back to the California database to ensure that the California Lifeline database is complete and up-to-date.

Assurance Wireless is only one of multiple Lifeline service providers in California, and it is likely that these other service providers also will have to implement similar process and system changes. Moreover, California will have to implement process and system changes if it does not meet the April 30 deadline. As noted above, California currently does not advise ETCs (or USAC, if USAC is tasked with performing recertification for California subscribers) of the basis for eligibility determinations for existing Lifeline customers, and it therefore would have to develop a process for identifying customers who previously qualified under a program that is no longer compliant with federal rules. Assurance Wireless and other California ETCs would then have to modify their customer records to flag subscribers who need to provide additional documentation during the recertification process to demonstrate their eligibility based on a federally acceptable program or income level, and to develop a customer communication plan to advise subscribers of the new documentation requirements.

Assurance Wireless currently has hundreds of thousands of California Lifeline subscribers. Based on costs incurred to interface with NLAD and with other state administrators, Assurance Wireless estimates that one-time costs to handle the initial application/eligibility determination and the recertification processes in California could be several hundred thousand dollars, and that certain per-transaction charges may also be incurred (*e.g.*, if the third party assesses a fee for each application evaluated and processed). Perhaps even more problematic, the planning and implementation of these

contingency efforts come at the same time, and involve the same resources, as are required to manage on-going business operations, the transition to the National Verifier, and any changes mandated by the Commission's recent Lifeline order.<sup>3</sup>

These changes cannot be implemented overnight; realistically, planning and system changes should begin in the very near future (December 2017) to ensure that the appropriate systems and processes are operational, if necessary, on May 1, 2018. Sprint and other ETCs would, of course, be forced to devise and implement their California contingency plans, and incur the associated costs, before it is known whether California will be able to meet the April 30 deadline. If it turns out that California does successfully meet the April 30 deadline, these significant efforts and costs will have been wasted. Once California does come into compliance with FCC eligibility rules, ETCs will have to un-do their temporary California processes, at additional expense.

The FCC's emphasis on the need for California to come into compliance with federal rules by April 30, 2018 is very clear, and Sprint agrees that requests for further extensions of time should be strongly discouraged. However, it is premature to foreclose on the possibility that an additional waiver extension might be warranted, and the FCC should evaluate any possible future waiver request using the same "good cause" standard it has always relied upon. Rather than shifting certification and recertification responsibilities onto ETCs in the event that the April 30 deadline is not met, the FCC should monitor the situation carefully, and continue to work closely with California to help ensure that the April 30 deadline is met. The FCC would thus have advance warning of any extenuating circumstances that might threaten California's ability to meet

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<sup>3</sup> *Bridging the Digital Divide for Low-Income Consumers*, WC Docket No. 17-287, *Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order*,

the compliance deadline. As with all waiver requests, the Commission has the right and responsibility to determine whether good cause exists to grant any waiver request.

If the FCC forecloses any possibility of considering an additional waiver request that might prove to be necessary, and instead persists in an iron-clad April 30, 2018 compliance deadline for California, it should at least reconsider paragraph 8 of the *California Waiver Extension Order*, and remove the ETC middleman. The FCC should accordingly direct that the National Verifier rather than ETCs be responsible for making the initial Lifeline eligibility determinations and for the recertification process if California is unable to do so consistent with FCC rules.

Respectfully submitted,

**SPRINT CORPORATION**

*/s/ Charles W. McKee*

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*Notice of Proposed Rulemaking, and Notice of Inquiry*, adopted November 16, 2017.